

1 WEIL, GOTSHAL & MANGES LLP
Stephen Karotkin (*pro hac vice*)
2 (stephen.karotkin@weil.com)
Ray C. Schrock, P.C. (*pro hac vice*)
3 (ray.schrock@weil.com)
Jessica Liou (*pro hac vice*)
4 (jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
5 (matthew.goren@weil.com)
767 Fifth Avenue
6 New York, NY 10153-0119
Tel: 212 310 8000
7 Fax: 212 310 8007

8 KELLER BENVENUTTI KIM LLP
Tobias S. Keller (#151445)
9 (tkeller@kbbkllp.com)
Jane Kim (#298192)
10 (jkim@kbbkllp.com)
650 California Street, Suite 1900
11 San Francisco, CA 94108
Tel: 415 496 6723
12 Fax: 650 636 9251

13 *Attorneys for Debtors*
14 *and Reorganized Debtors*

15 **UNITED STATES BANKRUPTCY COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**
SAN FRANCISCO DIVISION

17 **In re:**

18 **PG&E CORPORATION,**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC**
21 **COMPANY,**

22 **Debtors.**

- 23 ☐ Affects PG&E Corporation
24 ☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

25 ** All papers shall be filed in the Lead*
26 *Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)
Chapter 11 (Lead Case) (Jointly Administered)

**DECLARATION OF JANET LODUCA IN
SUPPORT OF APPLICATION OF DEBTORS
PURSUANT TO 11 U.S.C. § 327(e), FED. R.
BANKR. P. 2014(a) AND 2016, AND THE ORDER
AUTHORIZING THE DEBTORS TO EMPLOY
PROFESSIONALS USED IN THE ORDINARY
COURSE OF BUSINESS FOR AUTHORITY TO
RETAIN AND EMPLOY CLARENCE DYER &
COHEN LLP AS SPECIAL COUNSEL FOR THE
DEBTORS EFFECTIVE AS OF THE PETITION
DATE**

Date: August 25, 2020
Time: 10:00 a.m. (Pacific Time)
Place: (Telephonic or Video Appearances Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 Pursuant to 28 U.S.C. § 1746, I, Janet Loduca, hereby declare as follows:

2 1. I am the Senior Vice President and General Counsel of PG&E Corporation (“**PG&E**
3 **Corp.**”). In my current role, I am responsible for supervising outside counsel and monitoring and
4 managing legal fees and expenses.

5 2. On January 29, 2019 (the “**Petition Date**”), PG&E Corp. and Pacific Gas and Electric
6 Company (the “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”)
7 each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code
8 (the “**Bankruptcy Code**”). I submit this Declaration in support of the Debtors’ Application
9 (the “**Application**”)¹, pursuant to section 327(e) of the Bankruptcy Code and Rules 2014(a) and 2016 of
10 the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for authority to employ and
11 retain Clarence Dyer & Cohen LLP (“**CDC**” or the “**Firm**”), as special counsel on certain matters for
12 the Debtors in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) *nunc pro tunc* to the
13 Petition Date.

14 3. This Declaration is provided pursuant to Paragraph D.2 of the U.S. Trustee Guidelines
15 for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C.
16 § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the “**Fee Guidelines**”).
17 Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal
18 knowledge, information provided to me by the Debtors’ employees or advisors, or my opinion based
19 upon knowledge and experience as Senior Vice President and General Counsel. I am authorized to
20 submit this Declaration on behalf of the Debtors.

21 4. The Debtors recognize that a comprehensive review process is necessary when selecting
22 and managing chapter 11 counsel to ensure that their bankruptcy professionals are subject to the same
23 client-driven market forces, security, and accountability as professionals in non-bankruptcy
24 engagements. CDC has extensive experience advising and representing the Debtors on various important
25 transactional, regulatory and litigation matters.

26

27

28 ¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to such terms in the Application.

1 5. In particular, CDC currently represents PG&E in the Specific Matters, which are more
2 specifically discussed in the Application and the Dyer Declaration. Until the date of this Application,
3 this representation has been as an ordinary course professional under the Court's *Order Pursuant to 11*
4 *U.S.C. §§ 105(a), 327, 328, and 330 Authorizing the Debtors to Employ Professionals Used in the*
5 *Ordinary Course of Business Nunc Pro Tunc to the Petition Date* [Dkt No. 707] (the "**OCP Order**").
6 Because the services the Debtors have asked CDC to perform in connection with the Specific Matters
7 have exceeded the caps set forth in the OCP Order, the Debtors seek approval of CDC as special counsel
8 in connection with the Specific Matters pursuant to section 327(e) of the Bankruptcy Code, *nunc pro*
9 *tunc* to the Petition Date, as contemplated by paragraph 2(ix) of the OCP Order. Specifically, recent
10 developments, particularly in the Ghost Ship Case and the Federal Probation and Monitorship Matter,
11 have required CDC to dedicate significantly more time to its representation of the Debtors, thus
12 increasing the costs of the representation beyond the maximum allowable under the OCP Order.

13 6. With respect to billing, CDC has confirmed to me that it does not vary its billing rates or
14 the material terms of an engagement depending on whether such engagement is a bankruptcy or a non-
15 bankruptcy engagement. CDC's negotiated 2020 hourly rates with respect to the Debtors' engagement
16 of CDC in connection with the Specific Matters (as defined in the Application), subject to change from
17 time to time, are \$575 for partners; \$495 for counsel; \$440 for associates; and \$150 for
18 paraprofessionals.² These rates are consistent with the rates charged by CDC under the OCP Order. It
19 is my understanding that these rates are subject to periodic adjustment, typically around the first of the
20 year. CDC advised me that it would inform the Debtors of any adjustment to its existing rate structure,
21 prior to such adjustment.

22 7. I understand that CDC's fees and expenses will be subject to periodic review on a
23 monthly, interim, and final basis during the pendency of these Chapter 11 Cases by, among other parties,
24 the Office of the United States Trustee, the Debtors, and the fee examiner in the Chapter 11 Cases, in
25 accordance with the terms of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules,

26 ² I understand that CDC typically increases the hourly billing rate of attorneys and paraprofessionals
27 once a year, which increase includes (i) ordinary course step increases related to the advancing seniority
28 or promotion of an attorney or paraprofessional, and (ii) periodic (generally yearly) rate increases with
respect to each level of seniority. In addition, CDC's 2020 rates are subject to customary rate adjustment
to be negotiated and agreed to by the Debtors and CDC in a manner consistent with past practice.

1 and any orders or guidelines of the Court governing the procedures for approval of interim and final
2 compensation of professionals retained in Chapter 11 Cases.

3 8. As Senior Vice President and General Counsel, I supervise and manage legal fees and
4 expenses incurred by the Debtors' outside counsel. Either I or a senior lawyer in our legal department
5 authorizes all legal fees and expenses prior to the payment of such fees and expenses to outside counsel.
6 In so doing, we assure that all requested fees and expenses are reasonable and correspond with necessary
7 or beneficial services rendered on behalf of the Debtors and their estates. The aforementioned approval
8 process does not differ when the Debtors employ outside counsel for non-bankruptcy matters. Moreover,
9 CDC has informed me that the Debtors will be provided with the opportunity to review all invoices and
10 request adjustments to such invoices to the extent that the Debtors determine that such adjustments are
11 necessary and appropriate, and such requests will be carefully considered by CDC.

12 I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry,
13 the foregoing is true and correct and that this declaration was executed at San Francisco, California on
14 this 5th day of August, 2020.

15 /s/ Janet Loduca
16 Janet Loduca
17
18
19
20
21
22
23
24
25
26
27
28